



IOWA DEPARTMENT OF EDUCATION

Statewide Voluntary Preschool Program

July 2016

Statewide Voluntary Preschool Program Costs

The **2015** legislative session adopted House File 658.

Sec. 30. Iowa Code 256C.3, subsection 3, paragraph *h*, is amended to read as follows:

h. provision for ensuring that children receiving care from other child care arrangements can participate in the preschool program with minimal disruption due to transportation and movement from one site to another. The children participating in the preschool program may be transported by the school district to activities associated with the program along with other children.

Sec. 31. Iowa Code 256C.4, subsection 1, paragraphs *g* and *h*, are amended to read as follows:

g. For the fiscal year beginning July 1, 2015, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not more than five percent may be used by the school district for administering the district's approved local program. Outreach activities and rent for facilities not owned by the school district are permissive uses of the administrative funds.

h. For the fiscal year beginning July 1, 2015, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not less than ninety-five percent of the per pupil amount shall be passed through to a community-based provider for each pupil enrolled in the district's approved local program. For the fiscal year beginning July 1, 2015, and each succeeding fiscal year, not more than ten percent of the amount of preschool foundation aid passed through to a community-based provider may be used by the community-based provider for administrative costs. The costs of outreach activities and rent for facilities not owned by the school district are permissive administrative costs. The costs of transportation involving children participating in the preschool program and other children may be prorated.

The **2016** legislative session adopted Senate File 2323:

Sec. 8. Section 256C.4, subsection 1, paragraph *e*, Code 2016, is amended to read as follows: *e.* Preschool foundation aid funding shall not be used for the costs of constructing a facility in connection with an approved local program. Preschool foundation aid funding may be used by approved local programs and community providers for professional development for preschool teachers, for instructional equipment, for material and equipment designed to develop pupils' large and small motor skills, and for other direct costs. Preschool foundation aid funding may be used by approved local programs for the costs of transportation involving children participating in the preschool program. The costs of transporting other children associated with the preschool program or transported as provided in section 256C.3, subsection 3, paragraph "h", may be prorated by the school district. Preschool foundation aid funding received by an approved local program that remain unexpended or unobligated at the end of a fiscal year shall be used to build the approved local program's preschool program capacity in the next succeeding fiscal year.

Frequently Asked Questions:

Administrative funds for the community partner:

- ***Does this mean the district may allow the community partner to use up to 10% of the funds the partners receives for the purpose of administration and operations of the program?***

Yes; however the allowable expenditures under administrative funds remains the same.

- ***Does this mean that a community partner located inside of a school building cannot pay rent to the school?***

Yes. If a private provider is using district facilities to deliver this district program there can be no rent involved. Otherwise, this amounts to the district paying rent to itself since the funds were district funds originally. Other costs like expenditures for custodial services can be paid to the school from administrative funds.

- ***Does this language mean a private preschool may use administrative funds to pay itself if it is purchasing its own building?***

No. Purchasing a building is not a permissive use of these funds.

Administrative funds for the district:

- ***Does this also mean a district may rent a building in the community using its 5% administrative costs?***

Yes. However, the expenditure will be accounted for in the PPEL fund and the amount needed to pay the rental lease payment will be transferred from the SWVPP administrative fund to the PPEL fund when payment is due.

Transportation:

- ***If the district or the partner provides transportation, may it use SWVPP funds to pay for the transportation of SWVPP funded children?***

Yes, this expenditure may be a cost covered by the program funds.

- ***If the district provides transportation to the partner site, may the district charge the partner from the partner's portion of SWVPP funds?***

Yes, this expenditure can be covered by the partner's funds. To clarify, the district may not simply retain funds for this purpose. Statute requires the district flow 95% of the funds generated by the students in the partner program to that partner program. The district will bill the partner for the mileage rate for the transportation and the partner will timely pay the billing from its SWVPP funding.

- ***SWVPP funds may be used for transportation regardless of the route?***

No. Although SWVPP students could ride most bus routes of the district, SWVPP students without IEPs cannot ride a special education specialized bus route provided to eligible students pursuant to an IEP, and the regulations regarding buses crossing other districts' boundaries would apply. Also any student participating in the SWVPP who has an IEP and was eligible to be included on certified enrollment and is open enrolled out of the resident district is not eligible for transportation. The provider may use its SWVPP funds to cover transportation costs for SWVPP students in its center, whether transporting directly or contracting with the school district for this purpose.

Further information is located in the Finance FAQs for Statewide Voluntary Preschool Programs at <https://www.educateiowa.gov/pk-12/early-childhood/statewide-voluntary-preschool-program-four-year-old-children>